

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
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USDOC FOR BEWT/TDAD (STECHSCHULTE) AND BEWT/USSR(HEISS)

E.O. 11652: N/A
TAGS: ENRG, EEWT, UR
SUBJECT: SOVIET GAS LIFT EQUIPMENT AND TECHNOLOGY CONTRACT

REF: 77 MOSCOW 16032

1. LOCAL AGENT WHO REPRESENTS U.S. FIRM TELEDYNE
GEOTECH TOLD COMOFF JANUARY 26 THAT SOVIETS HAVE
DECLARED BILLION-DOLLAR GAS LIFT CONTRACT "TOP
PRIORITY" AND WANT TO CONCLUDE CONTRACT AGREEMENT
BY MARCH FIRST. TELEDYNE, (REPORTED REFTEL) HAS
SUB-CONTRACT WITH THREE OF FOUR NON-U.S. COMPETITORS
FOR OVER 40 MILLION DOLLARS. THIS COMES AT TIME
WHEN SEVERAL OTHER U.S. GAS AND OIL FIELD EQUIPMENT
SUPPLIERS ARE IN MOSCOW NEGOTIATING MULTI-MILLION
DOLLAR CONTRACTS WITH SOVIETS.

2. COMMENT: IF THE SOURCE IS ACCURATE ABOUT SOVIET
INTENTIONS AND DEADLINES, THE SEEMINGLY SUDDEN URGENCY
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OF GAS-LIFT CONTRACT (WHICH HAS BEEN UNDER DISCUSSION
FOR ALMOST TWO YEARS)) MAY REFLECT A SOVIET DECISION
THAT THIS EQUIPMENT WILL BE ESSENTIAL IF USSR OIL
PRODUCTION IS TO BE MAINTAINED AT A HIGH LEVEL.
SOVIET OFFICIALS HAVE BEEN SPARING IN COMMENTS
ABOUT POTENTIAL OIL SHORTAGE BUT HAVE ON VARIOUS
OCCASIONS ACKNOWLEDGED NEED FOR NEW DISCOVERIES

OR GREATER RECOVERY FROM WORKING OIL FIELDS.
GOSPLAN'S 1977 MONOGRAPH ON THE FIVE YEAR PLAN SPEAKS
OF THE NECESSITY OF DEVELOPING METHODS FOR ARTIFICIAL
PRESSURE ON OIL-BEARING STRATA TO RECOVER 60 OR 70 PERCENT
INSTEAD OF THE PRESENT 50 PERCENT. RECENTLY A LOCAL
SOVIET OFFICIAL CONCEDED TO WESTERN REPORTERS
(INTERNATIONAL HERALD TRIBUNE, JANUARY 21-22)
THAT USSR FACES MAJOR CHALLENGE TO ACHIEVE 12.8 MILLION
BARREL PER DAY PRODUCTION BY 1980. U.S. OIL FIELD
EQUIPMENT PRODUCERS HAVE GIVEN US THEIR VIEW THAT
7-8 YEAR PRODUCTION AT PEAK (FIGURE GIVEN TO WESTERN
REPORTS FOR SAMOTLER FIELDS) IS UNUSUALLY LONG
AND WOULD REQUIRE MAXIMUM EFFICIENCY IN SECONDARY
AND EVEN TERTIARY RECOVERY METHODS. WE ARE MONITORING
CURRENT ACTIVITIES OF REPRESENTATIVES OF U.S. OIL
FIELD EQUIPMENT SUPPLIER FIRMS NOW IN MOSCOW, AND
WILL REPORT SIGNIFICANT INFORMATION OR CONTRACT
SIGNINGS AS THEY OCCUR.
MATLOCK

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